

March 29, 2001

Honorable Norman K. Ferguson, Senate Chair
Honorable William R. Savage, House Chair
Joint Standing Committee on Utilities and Energy
115 State House Station
Augusta, ME 04333

Re: LD 840, An Act to Streamline Installation of Private Electrical Lines

Dear Senator Ferguson and Representative Savage:

The Commission will testify in opposition to LD 840, An Act to Streamline Installation of Private Electrical Lines, as currently drafted. However, we support policies that allow private contractors to build line extensions, since the presence of additional providers in this area allows consumers to obtain lower prices. We will be present at the work session and will be pleased to work with the Committee as it considers this bill.

LD 840 would remove all restrictions that would prohibit a T&D utility from connecting a customer's private line extension to the utility's system, so long as the line is built in accordance with relevant safety codes. While we are uncertain that we have identified all current restrictions, we will address those of which we are aware.

Our opposition stems primarily from our concern that LD 840 would eliminate all safeguards that guarantee that the private line is built according to the relevant safety codes. Under CMP's current policy, either a private professional engineer (PE) must develop the construction plan and certify the line after it is constructed or CMP will perform that function for a fee. BHE's policy requires a private PE to inspect plans before construction, and BHE inspects the line before energizing. It is imperative that a qualified person inspect and certify that the line is safe before it is energized. It is our understanding that a post-installation inspection performed by an entity (such as the utility) who did not design or oversee the installation may not be sufficient to ensure the safety of the line, and we welcome a discussion of this issue. Allowing a private PE to design then certify the line, and requiring that the utility do so (for a fee) if a private PE does not, seem reasonable to us. If the bill does not eliminate a pre-energizing certification by an entity capable of ascertaining all safety features, we withdraw our opposition.

A second restriction that LD 840 apparently would eliminate is the prohibition in CMP's territory against private contractors building line extensions in a development. This prohibition is the result of CMP's recent more literal interpretation of a tariff that has existed for a number of years. In other utilities' territories, this restriction does not exist. We have not ruled on this prohibition in a proceeding and have not received formal complaints that would cause us to investigate this matter. Therefore, at this time we do not have an opinion on whether this restriction is reasonable as currently practiced. However, we are inclined to believe that ratepayers are best served by allowing private contractors to build line extensions. Therefore, we would not oppose legislation that allows this restriction to be removed in a safe, workable manner.

Two additional restrictions are under discussion for LD 288. These restrictions, should they be adopted by the Legislature, would require that the customer turn over a line extension in a public way to the utility and that the customer pay the utility the Contribution in Aid of Construction tax. While we did not contribute to development of those two provisions, we believe they are reasonable. LD 840 should clarify whether these restrictions are prohibited.

In conclusion, we oppose LD 840 because it appears to eliminate a necessary safeguard that guarantees that the public receives safe, reliable electrical service. If legislation retains that guarantee, we would remove our opposition. If you have any questions, please contact me.

Sincerely,

Marjorie R. McLaughlin
Legislative Liaison